

SENATE BILL NO. 292—SENATOR SCHNEIDER

MARCH 14, 2003

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Referred to Committee on Commerce and Labor

SUMMARY—Directs Legislative Commission to appoint subcommittee to study impact of recent privatization of industrial insurance program and administered pricing mechanisms for medical professional liability insurance. (BDR S-784)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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AN ACT relating to insurance; directing the Legislative Commission to appoint a subcommittee to study the impact of the recent privatization of the industrial insurance program and administered pricing mechanisms for medical professional liability insurance; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1     **Section 1.** 1. The Legislative Commission shall appoint a  
2 subcommittee consisting of six Legislators to conduct an interim  
3 study of:  
4     (a) The impact of the recent privatization of the industrial  
5 insurance program on injured workers, employers and insurers; and  
6     (b) Administered pricing mechanisms for medical professional  
7 liability insurance.  
8 The Legislative Commission shall appoint to the subcommittee  
9 three members of the Senate and three members of the Assembly  
10 who are acquainted with the statutory program for industrial  
11 insurance and casualty insurance as it pertains to medical  
12 professional liability coverage in this state.  
13     2. The study must include, without limitation:



- 1 (a) For the impact of the recent privatization of the industrial  
2 insurance:
- 3 (1) An examination of the procedures for resolving contested  
4 industrial insurance claims filed by injured workers, the costs to  
5 injured workers, employers and insurers in litigating such claims,  
6 and the timeliness of resolving such claims;
- 7 (2) Consideration of whether it is appropriate to reimburse  
8 injured workers for time off of work when they are receiving  
9 medical treatment for compensable industrial injuries or illnesses,  
10 including the cost of such reimbursement to employers and insurers  
11 and the impacts on injured workers of not making such  
12 reimbursement;
- 13 (3) A review of any other issues or subjects concerning the  
14 impacts of the recent privatization of the industrial insurance  
15 program on injured workers, employers and insurers; and
- 16 (b) For administered pricing mechanisms for medical  
17 professional liability insurance:
- 18 (1) The plausibility of carrying out a rating system that  
19 consists of:
- 20 (I) Uniform loss costs by classification and territory;
- 21 (II) Uniform claims-made step factors, including the  
22 number of steps;
- 23 (III) Factors for uniform extended reporting periods;
- 24 (IV) Uniform experience and schedule rating plans; and
- 25 (V) Any other rating factors deemed necessary;
- 26 (2) An estimate of the cost to carry out such a rating system;
- 27 (3) An analysis of the impact that such a rating system would  
28 have on the availability and affordability of medical professional  
29 liability coverage; and
- 30 (4) An analysis of the impact that such a rating system would  
31 have on the insurance industry within this state.
- 32 3. In conducting the study, the subcommittee shall seek  
33 information and suggestions from various representatives of injured  
34 workers, employers, the medical profession and insurers, and from  
35 experts in the area of industrial insurance and medical professional  
36 liability insurance.
- 37 4. Any recommended legislation proposed by the  
38 subcommittee must be approved by a majority of the members of  
39 the Senate and a majority of the members of the Assembly who are  
40 appointed to the subcommittee.
- 41 5. The Legislative Commission shall submit a report of the  
42 results of the study and any recommendations for legislation to the  
43 73rd Session of the Nevada Legislature.



1     **Sec. 2.** This act becomes effective on July 1, 2003.

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